

MINISTRY OF HOME AFFAIRS

New Delhi, the 26th September 1950

S.R.O. 663.—In pursuance of clause (i) of sub-rule (1) of rule 4 of the Indian Passport Rules, 1950, the Central Government is pleased to exempt indigenous nationals of India and the Union of Burma, who are members of the hill tribes inhabiting areas adjacent to the Indo-Burmese frontier and who enter India by land over the said frontier, from the provisions of rule 3 of the said Rules :

Provided that the exemption shall not apply to any such national of the Union of Burma who proceeds into India beyond twenty-five miles from the land border.

[No. 4/15/50-F-I.]

FATEH SINGH, Dy. Secy.

NOTIFICATION

No. L.D. 2579—Legis. 4-50-69, dated Bangalore, 6th December 1950.

Ordered that the following Notification No. S.R.O. 679, dated the 30th September 1950 of the Ministry of Finance amending the Indian Income-tax Rules, 1922, published in the *Gazette of India*, Part II, Section 3, dated the 30th September 1950, be republished in the *Mysore Gazette*, for general information.

By Order of

His Highness the Maharaja,

B. S. PUTTASWAMY,

*Legal Remembrancer and
Secretary to Government,
Law Department.*

New Delhi, the 30th September 1950

S.R.O. 679.—In exercise of the powers conferred by sub-section 59 of the Indian Income-tax Act, 1922 (XI of 1922), the Central Board of Revenue directs that the following further amendments shall be made in the Indian Income-tax Rules, 1922, the same having been published as required by sub-section (4) of the said section, namely :—

For the existing form of return of total income and total world income for individuals, Hindu Undivided families, companies, local authorities, firms and other association of persons sub-sections (1) or (2) of section 22 of the Indian Income-tax Act, 1922 set forth in sub-rule (1) of rule 19 of the said Rules, the following form shall be substituted, namely :—

Form of return of total income and total world income for individuals, Hindu Undivided families, companies, local authorities, firms and other Associations of persons under sub-section (1) or (2) of Section 22 of the Indian Income-tax Act 1922—See note 1.

INCOME-TAX YEAR 19...-19...

Name

*Status

Address

PART I

Statement of total income and total world income during the previous year ended..... see note 4.

Sources of income

Amount of
income,
profits
or
gains
2

Tax already
charged or
deducted at
source. (See
note 7)
3

SECTION A.—INCOME WHICH ACCRUED, AROSE OR WAS RECEIVED OR IS DEEMED TO HAVE ACCRUED, ARISEN OR BEEN RECEIVED IN THE TERRITORY OF INDIA EXCLUDING INCOME ACCRUING OR ARISING IN THE MERGED TERRITORIES, AND IN THE STATES OF HYDERABAD, JAMMU AND KASHMIR, MADHYA BHARAT, MYSORE, PATIALA AND EAST PUNJAB STATES UNION, RAJASTHAN, SAURASHTRA AND TRAVANCORE-COCHIN. [See note 2 (a)].

1. Salaries.—(The value of rent-free quarters and contributions by your employer to a recognised Provident Fund with interest on your and your employer's contributions and on accumulations thereof should be shown separately). (See note 8).

2. Interest on Securities—See note 9

Interest from which tax has been deducted

Interest which is tax free

3. Property.—See note 10

Total amount as detailed in Part VI of this Return

4. Business Profession or Vocation.—See note 11

(a) Profits and gains as detailed in Part IV of this Return

(b) Share of profits in a registered firm

(c) Share of profits in an unregistered firm or Association of persons.

* Please state here whether the assessee is individual, Hindu Undivided Family, Firm, Company, Local Authority or an Association of persons.

Sources of income	Amount of income, profits or gains	Tax already charged or deducted at source. (See note 7)
1	2	3
5. Other Sources.— Dividends from companies (gross amount). See note 12 Interest on Mortgages, Loans, Fixed Deposits, Current Accounts, etc. Ground Rents Sources other than those mentioned above (give details) See note 13 and 14.		
TOTAL OF SECTION A		
SECTION B.—INCOME NOT INCLUDED IN SECTION A, WHICH ACCRUED OR AROSE OUTSIDE THE TERRITORY OF INDIA OTHER THAN JAMMU AND KASHMIR AND WAS BROUGHT INTO THE SAID TERRITORY OR WHICH ACCRUED OR AROSE IN ANY MERGED TERRITORY OR A PART B STATE AND WAS BROUGHT INTO THE TAXABLE TERRITORIES OTHER THAN THE MERGED TERRITORY OR THE STATE CONCERNED. [See note 2 (b)]. (Persons not resident in the territory of India other than the Jammu and Kashmir State should write not applicable). 1. Out of income which accrued or arose during such previous year (give details):— (a) In any merged territory or in any of the States referred to in the head note to this Section. (b) Elsewhere 2. Out of income which accrued or arose prior to such previous year but after 1st April, 1933 (give details) excluding such part of it as has suffered tax under the Act. 3. Out of income accruing or arising in a merged territory or in any of the States referred to above which has been included as part of the total income in any preceding assessment but not actually charged to tax (not to be included in the total of sections A, B, C, D and E).		
TOTAL OF SECTION B		
SECTION C.—CAPITAL GAINS ON SALE, EXCHANGE OR TRANSFER OF CAPITAL ASSETS—[See note 2 (c)]. THIS SECTION NEED BE FILLED IN ONLY IF THE RETURN IS FOR A PREVIOUS YEAR WHICH INCLUDES WHOLLY OR PARTLY ANY PERIOD FALLING BETWEEN THE FIRST DAY OF APRIL 1946 AND THE 31ST DAY OF MARCH 1948 (BOTH DAYS INCLUSIVE).		

Sources of income 1	Amount of income, profits or gains 2	Tax already charged or deducted at source. (See note 7) 3
(a) Income which accrued or arose or was received or deemed to have accrued or arisen or been received in the 'taxable territories'—(applicable to all persons). (b) Income which accrued or arose outside the 'taxable territories' including an Indian State. (Applicable to persons resident and ordinarily resident only. In the case of non-residents foreign capital gains are not included in total World income). (This income should be shown after deducting Rs. 4,500). (c) Income which accrued or arose outside the 'taxable territories' after the 31st March 1946 and before the 1st day of April 1948 and is brought into the taxable territories in the previous year. (Applicable to persons resident but not ordinarily resident).		
TOTAL OF SECTION C ..		
SECTION D.—INCOME NOT INCLUDED IN SECTION A OR B WHICH ACCRUED OR AROSE IN ANY ONE OF THE MERGED TERRITORIES DURING THE PREVIOUS YEAR. [See note 2 (d)].		
1. Salaries.—(The value of rent-free quarter and contributions by your employer to a recognised Provident Fund with interest on your and your employer's contributions and on accumulations thereof should be shown separately). See note 8.		
2. Interest on Securities (See note 9) Interest from which tax has been deducted Interest which is tax free		
3. Property.—(See note 10) Total amount as detailed separately in Part VI of this Return.		
4. Business Profession or Vocation. (See note 11) (a) Profits and gains as detailed in Part IV of this Return. (b) Share of profits in a registered firm (c) Share of profits in an unregistered firm or association of persons.		
5. Other Sources Dividends from companies (gross amount) see note 12 Interest on Mortgages, Loans, Fixed Deposits, Current Accounts, etc. Ground Rents Sources other than those mentioned above (give details (See note 13 and 14).		
TOTAL OF SECTION D ..		

Sources of income	Amount of income, profits or gains	Tax already charged or deducted at source. (See note 7)
1	2	3
SECTION E.—INCOME NOT INCLUDED IN SECTION A OR B WHICH ACCRUED OR AROSE IN THE STATES OF HYDERABAD, MYSORE, MADHYA BHARAT, PATIALA AND EAST PUNJAB STATES UNION, RAJASTHAN, SAURASHTRA AND TRAVANCORE-COCHIN. [See note 2 (e)].		
1. Salaries.—(The value of rent-free quarters, and contributions by your employer to a recognised Provident Fund with interest on your and your employer's contribution and on accumulations thereof should be shown separately). (See note 8).		
2. Interest on Securities.—(See note 9)		
Interest from which tax has been deducted ..		
Interest which is tax free ..		
3. Property. (See note 10)		
Total amount as detailed separately in Part VI of this Return).		
4. Business Profession or Vocation (See note 11)		
(a) Profits and gains as detailed in Part IV of this Return.		
(b) Share of profits in a registered firm ..		
(c) Share of profits in an unregistered firm or association of persons.		
5. Other Sources		
Dividends from companies (gross amount) See note 12		
Interest on Mortgages, Loans, Fixed Deposits, Current Accounts, etc.		
Ground Rents		
Sources other than those mentioned above (give details) (See notes 13 and 14.)		
TOTAL OF SECTION E ..		
TOTAL OF SECTIONS A, B, C, D and E being total income.		
SECTION F.—INCOME NOT INCLUDED IN SECTION A OR B WHICH ACCRUED OR AROSE OUTSIDE THE TERRITORY OF INDIA OR IN THE STATE OF JAMMU AND KASHMIR DURING THE PREVIOUS YEAR. [See note 2(f)]		
(a) Non-resident persons should show the full income in column 2.		
(b) Persons resident and ordinarily resident in the territory of India excluding the State of Jammu and Kashmir should show in column 2 their income after deducting Rs. 4,500. (See note 6.)		
(c) Persons resident but not ordinarily resident should show their income only from a business controlled in India after deducting Rs. 4,500. (See note 6)		
TOTAL OF SECTION F ..		
Total of Sections A, B, C, D, E and F being the total income or the total World Income.		

	Particulars of items	Amount Rs.
SECTION G.—IN THIS SECTION SHOULD BE SHOWN ANY INCOME, PROFITS OR GAINS WHICH ARE NOT INCLUDED IN SECTIONS A, B, C, D, E AND F BUT WHICH THE ASSESSEE CLAIMS TO BE NOT TAXABLE FOR ANY REASON SUCH AS—		
that the receipt is of a casual nature not arising from any business, profession, vocation or occupation, or that it is exempt under any other provision of the Indian Income-tax Act, or	1 2 3 4 5 6 7 8	
that it is not accounted for in the books of account due to non-adjustment of accounts; or for any other reason.		
[(See note 2 (g))]		
TOTAL OF SECTION G		

PART II

Statement of sums included in total income in respect of which income-tax and/or super-tax is not payable.

	Rs.
1. Earned income allowance under Section 15A (see note 3).	
2. Sums deducted from salary payable by the Government and to which the proviso to sub-section (1) of section 7 of the Act applies.	
3. Sums paid to effect an insurance on the life of the assessee or on the life of his wife, or her husband or in respect of a contract for a deferred annuity; or, in the case of a Hindu Undivided Family, to effect an insurance on the life of any male member or his wife. (The original receipt or Certificate from the insurance Company must be attached).	
4. Contributions to (a) any provident fund to which the Provident Funds Act, 1925, applies (b) a recognised Provident Fund or (c) an approved superannuation fund, and (d) interest on contributions to a recognised provident fund and accumulations thereof which is exempt from income-tax.	
5. Share in the income of an unregistered firm or an association of persons where the tax has already been paid or is payable on the income by the firm or association (give details).	
6. Interest on tax-free securities	
7. Income accruing or arising in the State of Jammu and Kashmir which is exempt unless brought into the territory of India other than the said State.	
8. Income from new Industrial undertakings exempt under section 15-C of the Indian Income-tax Act.	
9. Donations to charitable institutions and Funds. (See note 17).	
10. Other items, if any	
TOTAL	

PART III

125

Particulars required under sub-section (5) of Section 22 of the Income-tax Act, 1922.

(a) To be completed in the case of all persons engaged in a business, profession or vocation. In the case of a firm this section should be completed on the firm's return and not on the individual partner's returns.

Name in which the business, profession or vocation carried on, or, in the case of a firm the firm's name.

Principal place of the business, profession or vocation.

Location and style of each branch.

1.

2.

3.

(b) To be completed in the case of firms only.

Name of each partner	Address	Extent of share including interest on capital, salary, commission or other remuneration, if any. (Give details).

(c) To be completed in cases where the assessee is a partner in a firm or firms.

Name and address of the firm	Name of each partner including the assessee	Address of each partner	Share of each partner including interest on capital salary, commission or other remuneration, if any (Give details)

PART IV

Particulars of income from Business, Profession or Vocation

(1) In the case of a firm this part is to be completed in the firm's Return and not in the partner's individual returns.

(2) If the accounts are kept on the merchantile accountancy or book profit system a copy of the Manufacturing Accounts or Trading Accounts the Profits and Loss Account and Balance Sheet or trial balances must be attached to this

return. If the Accounts are kept on any other system, the name or description of the system is to be stated and a copy of any statement which corresponds to the Profit and Loss Account and Balance Sheet in the mercantile accountancy system must be attached to this return. In the case of a Company a copy of the Auditor's Report and certificate must also be attached. In the case of assessee other than company if the accounts are audited, a statement of audited accounts should accompany the return but if the accounts are not audited, a statement showing how profits have been computed from the books of account maintained for the business should accompany the return.

Profit or loss as per Profit and Loss Account (or statement corresponding to the Profit and Loss Account) for the year ended 19 ..	Rs.	Rs.
Add—(Deduct if the above figure is a loss) .. Any profits or gains not included in arriving at the above figure of profit.,		
Reserve for Bad Debts ..		
Sums carried to reserve for provident or other funds ..		
Interest credited to reserves or other funds ..		
Expenditure of the nature of charity or presents ..		
Expenditure of the nature of capital ..		
Income-tax or Super-tax ..		
Drawings of proprietor or partners ..		
Salaries and commission paid or credited to the proprietor or partners—See note 18 (a).		
Interest allowed to proprietor or partners on capital or loan accounts—See note 18 (a).		
Rental value of the property owned and occupied ..		
Cost of additions to or alterations, extensions or improvements to any of the assets of the business.		
Losses sustained in former years and charged in arriving at the figure of profit (or loss) shown above.		

Depreciation of any of the assets of the business	Rs.	- Rs.
Private or personal expenses		
Any other expenditure not incurred wholly and exclusively for the purpose of the business, profession or vocation. (Give details).		
Any other expenditure which is not allowable under the provisions of Section 10 of the Income-tax Act, 1922— <i>See</i> note 18 (b). (Give details).		
<i>Deduct—</i> Any profit or gains, capital sums or other items credited in arriving at the above figure of profit which are not taxable or upon which tax has already been paid. (Give details).		
Interest on security tax free		
Depreciation allowable as shown in Part V of this Return— <i>See</i> note 18 (d), (e), (f) and (g).		
Scientific Research Expenditure (if not charged in arriving at the above figure of profit). (i) Any expenditure (not in the nature of capital expenditure) laid out or expended on scientific research related to the business— <i>See</i> note 18 (c). (Give details).		
(ii) Any sum paid to an approved scientific research association or an approved university college or other institution for such scientific research— <i>See</i> note 18 (c). (Give details).		
(iii) Any expenditure of a capital nature on scientific research related to the business admissible under Section 10 (2) (xiv) of the Act— <i>See</i> note 18 (c). (Give details).		
Any other allowable expense which has not been charged in arriving at the above figure of profit. (Give details).		
Net profit (or loss— <i>See</i> note 11)—carried to Part I of this Return.		

N.B.—The above particulars should be given for each separate and distinct business, profession or vocation.

PART V

DEPRECIATION

[See notes 18(d), 18(e), 18(f) and 18(g)]

Statement of particulars prescribed under proviso (a) of Section 10(2) (vi) of the Income-tax Act, 1922, and of the amount of depreciation allowable.

Description of buildings, machinery, plant or furniture	*Written down value as at the beginning of the accounting period [See note 15(d)]	†Capital expenditure during the year for additions, alterations, improvements and extensions	Date from which the additions, etc., referred to in Col. (3) are used for the purposes of the business, profession or vocation	If a plant or machinery has been sold or discarded during the year, show in this Column the *written down value as at the beginning of the accounting period and the value for which it is actually sold or its scrap value	Amount on which depreciation is now allowable	Prescribed rate per cent	Depreciation allowable	Remarks
1	2	3	4	5	6	7	8	9

* NOTES.—(1) In the case of Ocean-going ships, particulars of "original cost" instead of those of the "written down value" should be furnished.

(2) For the assessment year 1939-40, figures to be furnished are those of "Original cost" instead of those of "written down value".

†(1) Capital expenditure on new machinery or plant or new buildings erected should be shown separately and in the remarks column against each such entry, it should be indicated that initial depreciation is claimed.

(2) Show separately the depreciation allowable under Section A, D and E of this form.

128 12

130 PART VII

Particulars of Income from Capital Gains.

NOTE.—Separate statements should be attached showing in detail—

All capital assets owned by the assessee (including capital assets transferred to the wife or a minor child) as at the beginning of the previous year in three parts—

(a) Capital assets included in the Balance Sheet as at the close of the immediately preceding previous year. This statement should also show as regards depreciable assets the value against each item as included in the Balance Sheet and as regards non-depreciable assets the cost thereof.

(b) Capital assets consisting of home property included in Part VI of the Return with cost thereof against each item.

(c) Capital assets not included in statements under (a) and (b) with cost thereof against each item.

(2) All capital assets acquired during the previous year with cost of acquisition against each item. This statement should also include capital assets used for the purposes of the business which are included in Part V of the return and on which depreciation is claimed.

(3) All capital assets sold during the year with sale price against each item. The total of the sale price should be taken to the appropriate column of the tabular statement under this Part.

Full value of the consideration for which the Centre sale, exchange or transfer of capital assets is made.	Immovable property Rs.	Machinery and plant Rs.	Others Rs.	Total Rs.
Deductions—				
1. Actual cost of the capital assets sold [See note 17A (iv)] Give details separately.				
2. Expenditure of a capital nature incurred and borne by the assessee in making any additions or alterations (Give details separately).				
3. Expenditure incurred solely in connection with the sale, exchange or transfer.				
Less—Any option or other money received and retained by the assessee on any previous occasion.				
Total of cost and other deductions admissible.				
Amount of capital gains.				
Deduct—Loss sustained in the previous year.				
Cost of any new capital asset purchased for the same purpose as the asset sold, exchanged or transferred was being put to. [To be filled in only when an election is made in the circumstances set out in Section 12B (4) of the Income-tax Act, 1922.]				
Net amount of capital gains carried to Part I of the Return.				

I declare that to the best of my knowledge and belief the information given in the above statements in Parts I, II, III, IV, V, VI and VII of this Return is correct and complete, that the amounts of total income and total world income and other particulars shown are truly stated and relate to the year ended . . . and that no other income accrued or arose or was received *me/the firm/the family/the association/the company/the local authority, during the said year and that, *I/the firm/the family/the association/the company/the local authority, had during the said year no other sources of income.

I further declare that *I/the firm/the family/the association/the company, was resident and ordinarily resident/resident but not ordinarily resident/not resident, in the taxable territories during the previous year for which the Return is made.

Date

Signature

†Status

*The alternatives which are not required in the declaration should be scored out.

†The declaration shall be signed—

- (a) in the case of an individual by the individual himself,
- (b) in the case of a Hindu Undivided Family by the Manager or Karta,
- (c) in the case of a company or local authority by the principal officer,
- (d) in the case of a firm by a partner; and
- (e) in the case of any other association by a member of the association.

THE SIGNATORY SHOULD SATISFY HIMSELF THAT THE RETURN IS CORRECT AND COMPLETE IN EVERY RESPECT BEFORE SIGNING THE VERIFICATION.

Notes for guidance in filling up Return Form No. I.T. 11.

Assesseees are advised to read these notes carefully before filling in their returns.

The expression "British India" used formerly in the Indian Income-tax Act hereafter referred to as the Act has now been substituted by the expression "taxable territories" which means—

- (a) as respects any period before the 15th day of August 1947, the territories then referred to as British India including Berar,
- (b) as respects any period after the 14th day of August 1947, and before the 26th day of January 1950, the territories for the time being comprised in the Provinces of India but excluding the merged territory of Cooch-Bihar,
- (c) as respects any period after the 25th day of January and before the first day of April 1950, the territories comprised in part 'A' States, but excluding the merged territory of Cooch-Bihar and the territories comprised in part 'C' States, but excluding the States of Manipur, Tripura and Vindya Pradesh,

(d) as respects any period after the 31st day of March 1950 and before the 13th day of April 1950 the territory of India excluding the State of Jammu and Kashmir and the Patiala and East Punjab States Union, and

(e) as respects any period after the 12th day of April 1950, the territory of India excluding the State of Jammu and Kashmir;

Provided that the taxable territories shall be deemed to include—

(a) the merged territories,—

(i) as respects any period after the 31st day of March 1949 for any of the purposes of this Act, and

(ii) as respects any period included in the previous year for the purposes of making any assessment for the year ending 31st day of March 1950 or for any subsequent year; and

(b) the whole of the territory of India excluding the State of Jammu and Kashmir,—

(i) as respects any period for the purposes of Section 4A and 4B,

(ii) as respects any period after the 31st day of March 1950 for any of the purposes of this Act, and

(iii) as respects any period included in the previous year for the purpose of making any assessment for the year ending on 31st day of March 1951 or for any subsequent year;

In these notes the expression “taxable territories” is used in the same sense as defined above.

1. On the publication of the notice referred to in section 22(1) of the Act, every person or association of persons whose total income exceeds the maximum amount not chargeable with income-tax is required to make a return of his total income and his total world income whether or not, he has been served with an individual notice under section 22 (2) of the Act. For the maximum amount, which is not liable to income-tax in any year of assessment, reference should be made to the Finance Act enacted for that year.

Total income is the total income chargeable under the Act and total world income includes all income wherever accruing or arising except—

(i) income which is exempt under Section 4(3) of the Act, and

(ii) any capital gain which is not includible in the total income of an assessee.

2. (a) In Section A should be shown income accruing or arising or received or deemed to have accrued, arisen or been received in Part A States and Part C States other than the merged territories included in any one of the said States.

(b) In Section B should be shown income not included in Section A which accrued or arose outside the territory of India other than Jammu and Kashmir and was brought into the said territory, or which accrued or arose in any merged territory or a Part B State and was brought into the taxable territories other than the merged territory or the State concerned.

(c) Section C relates to capital gains and need only be filled in if the previous year includes any period falling within the 1st April 1946 to 31st March 1948 and there is any capital gain in that period.

(d) In Section D should be shown income accruing or arising in the merged territories and not included in Section A or B.

(e) In Section E should be shown income accruing or arising in Part B States excluding Jammu and Kashmir and not included in Section A or B.

(f) Section F is meant for showing income which accrued or arose outside the territory of India or in the State of Jammu and Kashmir.

(g) Section G has been provided for *your* protection. When any item is discovered which is legally taxable as your income, and you have not included it in your figure of total income or total world income, then, you will render yourself liable to penalty or prosecution under section 28 or 52 of the Act, *only* if you have failed to show it even in section G.

3. If the total income of an assessee who is an individual, Hindu Undivided Family, unregistered firm or other association of persons includes any earned income as defined in Section 2(6AA) of the Act, such portion of the earned income as it specified in the Annual Finance Act, is exempt from income-tax (but not super-tax) payable by the assessee. Super-tax in these cases should be calculated at the rates and in the manner specified in the Annual Finance Act.

4. "Previous year" means for each separate source of income—

(a) the year ended on 31st March prior to the income-tax year or at the option of the assessee, the year ended on the date (prior to the 31st March) to which his accounts have been made up, or

(b) the year prescribed by the Central Board of Revenue for any case or class of cases,

Certain conditions attached to the exercise of option referred to in (a) and certain further conditions govern the determination of 'previous year' in respect of a business, profession or vocation newly set up and these are shown in clause (11) of section 2 of the Act.

For each source of income for which the previous year does not and on the 31st March the last date of the previous year should be shown.

5. *Source of income.*—The following income must be included in your return under the appropriate head :—

(a) So much of the income of your wife as arises directly or indirectly from—

(i) her membership in a firm of which you are a partner,

(ii) assets transferred directly or indirectly to her by you otherwise than for adequate consideration or in connection with an agreement to live apart.

(b) So much of the income of your minor child as arises from—

(i) his (or her) admission to the benefits of partnership in a firm of which you are a partner,

(ii) assets transferred directly to him (or her) by you otherwise than for adequate consideration unless she is a married daughter.

(c) So much of the income of any person or association of persons as arises from assets transferred by you to the person or association otherwise than for adequate consideration for the benefit of your wife or minor child or both.

(d) All income arising to any person by virtue of a settlement or disposition whether revocable or not and whether effected before or after the commencement of the Indian Income-tax (Amendment) Act, 1939, from assets which remain your property or by virtue of a revocable transfer of assets.

134
[Section 16(1) of the Act contains definitions of "revocable" and "settlement or disposition", and sets out also certain exceptions.]

(e) Income from assets transferred to person not resident, or, if resident not ordinarily resident for the purpose of avoiding tax in the circumstances set out in Section 44D.

(f) Income from securities, stocks or shares, which have been sold before the date of payment of interest or dividend and re-purchased subsequently in the circumstances set out in Section 44E and 44F.

6. An individual is "resident" in taxable "territories" if he—

- (i) is in 'taxable territories' in that year for a period amounting in all to one hundred and eighty-two days or more ; or
- (ii) maintains or has maintained for him a dwelling place in 'taxable territories' for a period or periods amounting in all to one hundred and eighty-two days or more in that year and is in 'taxable territories' for any time in that year, or
- (iii) having within the four years preceding that year been in "taxable territories" for a period or periods amounting in all to three hundred and sixty-five days or more, is in "taxable territories" for any time in that year otherwise than on an occasional or casual visit ; or
- (iv) is in "taxable territories" for any time in that year and the Income-tax Officer is satisfied that such individual having arrived in "taxable territories" during the year is likely to remain in "taxable territories" for not less than three years from the date of his arrival.

A Hindu Undivided Family, firm or other association of persons is resident in "taxable territories" unless the control and management of its affairs is situated wholly without "taxable territories" and

A company is resident in the 'taxable territories' in any year

(a) If the control management of its affair is situated wholly in 'taxable territories' in that year, or

(b) If the income arising in 'taxable territories' in that year, exceeds its income arising without the 'taxable territories' in that year, account not being taken in either case of income chargeable under the head "Capital gains".

An individual is ordinarily resident in 'taxable territories' if he has been resident as defined above in nine out of ten years preceding that year and has been in "taxable territories" for periods amounting in all to more than two years during the seven years preceding that year.

A Hindu Undivided Family is deemed to be ordinarily resident in 'taxable territories', if its manager is resident in "taxable territories".

A company, firm or other association of persons is "ordinarily resident" in "taxable territories" if it is resident in "taxable territories".

7. *Tax already charged or deducted at source.*—In this column enter separately the tax paid to any one of the States, if any. Super-tax deducted at source should also be shown separately (Unless in the case of a salaried person, the assessee is unaware of the allocation between income-tax and super-tax). In the case of a dividend from a company the tax to be entered is the tax appropriate to that part of the dividend which has borne income-tax and

should be calculated at the rate in force for the year in which the dividend was paid and in the State concerned. Where this figure of tax is not known, it should be estimated and the word 'estimated' written below the figures along with the name of the State concerned, if any. The correct figure will then be computed in the Income-tax Office. If any tax deducted at source is in excess of the amount on which you are chargeable the excess will be deducted from any other tax payable by you provided that certificates of tax deducted are attached to the return.

8. "Salaries" includes wages, pensions, annuities, gratuities, fees, commission allowances, perquisites, value of rent free quarters and profits received in lieu of or in addition to salary or wages. The full amount should be entered and not net amount after deducting income-tax, your provident fund contribution, etc.

Income chargeable under this head is the amount of salary actually received or the amount due whether paid or not. An advance of salary is to be treated as salary due on the date on which the advance is received.

If by the conditions of your employment you are required to spend any sum out of your remuneration wholly, necessarily and exclusively in the performance of your duties, you may claim a deduction for such a sum and should give particulars. Travelling expenses from your residence to your place of employment are not allowable.

A payment received by you as an employee from your employer or former employer or from a provident or other fund is taxable to the extent to which it does not consist of the return of your own contributions or the interest thereon. Payments made solely as compensation for loss of employment and certain payments from provident funds to which the Provident Funds Act of 1925 applies, from a recognised provident fund or from an approved superannuation fund are exempted.

9. "Interest on securities" means interest on promissory notes or bonds issued by the Government of India or any State Government or the interest on debentures or other securities issued by or on behalf of a local authority or company. The gross amount before deduction of Income-tax should be entered.

Entries under this head should be accompanied by the certificate issued by the person paying the interest under Section 18(9) of the Act.

Deductions are allowable in respect of—

- (a) commission charged by a banker for collecting the interest,
- (b) interest payable on money borrowed for the purpose of investment in the securities except certain interest payable to persons abroad from which tax has not been deducted (see Section 8 of the Act for details). Full particulars (in a separate statement if necessary) should be given of any deduction of claimed.

10. *Property*.—The tax is payable under this head in respect of *bona fide* annual value of all the buildings or lands appurtenant thereto of which you are the owner other than such portions of such buildings and lands as you occupy for the purposes of your business, profession or vocation the profits of which are assessable to tax. In arriving at the *bona fide* annual value, add to the full rent payable by the tenant to the owner such rates and taxes paid by him as are releivable on property and are to be borne by the owner and deduct such taxes for services as are payable by the tenant but for convenience are borne by the owner.

Income from a building, the erection of which is begun and completed between the 1st day April 1946 and 31st March 1952, both days inclusive,

136
is exempt from income-tax for a period of two years from the date of completion of the building.

11. *Business, profession or vocation.*—For the purpose of completing items, 4(b) and 4(c) of Part I, the share of a partner is to be determined as follows :

- (i) The share is the share to which he was actually entitled during the previous year and not the share to which he was entitled on the date on which the assessment is to be made.
- (ii) It includes all interest (whether on loan or capital account and whether actually paid or not) and all salary, commission or other remuneration paid, payable or credited to him.

Losses are to be computed in like manner as profits and the balance of any loss made in the previous year which cannot be set off wholly against other income for the same year can be carried forward and set off against the profits of the *same* business, profession or vocation of the following year.

Local authorities.—The income of local authorities which is chargeable to income-tax is the profits and gains from a trade or business carried on by those authorities other than income arising from the supply of a commodity or service within its own jurisdictional area.

12. *Dividends from companies.*—The gross amount should be entered after adding to the net sum received income-tax computed as explained in note 7 above. Such portion of the dividend as is attributable to income exempt in the hands of the company such as agriculture income, is taxable in the hands of the share-holder as it is not agricultural income in his hands.

13. Income from agriculture from land not paying land revenue or local rates to an authority in "taxable territories" and all agricultural income arising outside the "taxable territories" should be included under this head if received in "taxable territories". Income from agricultural lands even if paying land revenue or local rates is assessable and should be shown if the lands in question are not used for agricultural purposes.

14. Remittances received by a wife resident in "taxable territories" from her non-resident husband are deemed to be income accruing in "taxable territories" and must be included in her return if they are not paid out of income included in her husband's total income.

15. *Non-residents.*—Income-tax including super-tax is payable on all incomes accruing or arising or deemed to accrue or arise in "taxable territories" during the previous year and on all incomes received or deemed to be received in 'taxable territories' during that year. If he is a British subject or a citizen of India income-tax is computed by reference to the average of the rates appropriate to his total world income. The income of other non-resident persons is chargeable at the full company rate. In the case of all non-resident persons super-tax is chargeable at the average rates appropriate to the total world income. Foreign capital gains are not included in the total world income of non-resident persons.

16. A dividend paid by an Indian Company without "taxable territories" is deemed to be income accruing and arising in 'taxable territories' to the extent to which it has been paid out of profits subjected to income-tax in 'taxable territories'.

17. Under Section 15B of the Act the tax is not payable by an assessee in respect of any sums paid by him after 1st April 1948 as donations to any institution or fund which is established in the 'taxable territories' for a charitable purpose and is approved by the Central Government provided—

- (i) the total amount of donation paid in any year is not less than Rs. 250 ;

- (ii) aggregate of any sums exempted does not exceed 1/20th in the case of a company and 1/10th in any other case of the total income as reduced by any portion thereof exempt from tax.
- (iii) the amount of donation exempted does not, in any case, exceed Rs. 2½ lakhs.

This exemption will be admissible both in respect of income-tax and super-tax except in the case of a company which is not exempt from super-tax on the amount of donations paid by it. The relief in tax on account of exemption of these donations shall not, in any case, exceed half the amount in respect of which exemption is allowed.

“Charitable purposes” as defined in the Act includes relief of the poor, education, medical relief and the advancement of any object of general public utility. A list of the institutions and funds approved by the Central Government has been published in the *Gazette of India*.

It may however be added that any sum paid during the previous year as donation to the fund known as the Gandhi National Memorial Fund is exempt from tax in full and not to the extent specified above.

18. Under section 15C the income of all new industrial undertakings which satisfy the conditions laid down in sub-section (2) would be exempt up to 6 per cent per annum on the capital employed. The concession applies to all new undertakings except any particular industrial undertakings which the Central Government may by notification exclude from the concession.

It should be noted that—

- (1) the profits in excess of 6 per cent on the capital employed are taxable;
- (2) the profits exempt are to be included for purposes of determining the rate at which tax is payable on profits not exempt.
- (3) the dividends paid out of the exempt profits are exempt in the hands of the shareholders proportionately;
- (4) the exempt income is to be taken into account in determining the applicability of section 23A in the case of any company.

19. *Part IV.*—(a) In computing the profits or gains of a partnership all sums paid or credited to a partner must be disallowed. These sums will be taken into account in allocating the gross income of the business between the partners to ascertain the individual share of each partner. All sums of interest, salary or commission will, thus, be included in the partner's share of the firm's income and the partner will not be assessed again on that interest, salary or commission as such.

(b) Attention is particularly drawn to the provisions of Section 10 (2) (iii) and Section 10 (4) (a) of the Act which prohibits the deduction of any payment of interest chargeable under the Act which is payable without the “taxable territories” except interest on which tax has been paid or from which tax has been deducted or in respect of which there is an agent who may be assessed under Section 43 or any payment chargeable under the head “salaries” if it is payable without the “taxable territories” and tax has not been deducted. An exception is made in the case of interest on loan issued for public subscription before 1st April 1938.

(c) Under Section 10 (2) (xii), (xiii) and (xiv) of the Act, revenue expenditure incurred by the assessee on scientific research related to a business

or to the class of business carried on and sums paid to research associations or institutions will be allowed in the assessment of the profits of the year in which the expenses were incurred. Capital expenditure on scientific research will be allowed in five consecutive equal instalments and allowance will be given also in respect of such expenditure incurred not more than three years before the commencement of the business. Any expenditure on scientific research incurred in the previous year for the assessment year 1945-46 is admissible as a deduction in the assessment year 1946-47 but not in any subsequent year of assessment.

(d) *Depreciation.*—In the case of assets other than ships, depreciation allowance is to be calculated at prescribed rates on the basis of “written down value”. The “written down value” is to be computed in accordance with the provisions of sub-section (5) of Section 10. In the case of ships, the allowance is to be calculated on the basis of original cost.

(e) Under Section 10 (2) (vi) of the Act, special initial depreciation will be admissible in respect of new buildings, plant and machinery. In the case of buildings, the rate is 10 per cent of the cost except in the case of buildings erected in the period 1st April 1946 and 31st March 1952 for which it is 15 per cent. In the case of plant and machinery the rate is 20 per cent. The allowance will not be deducted in computing the “written down value”.

(f) Under Section 10 (2) (vi) (a) double the normal depreciation allowance is admissible in respect of buildings newly erected or machinery or plant being new which has been installed after the 31st day of March 1948. This double depreciation is admissible for five assessment years 1949-50, 1950-51, 1951-52, 1952-53 and 1953-54.

(g) Under rule 8 of the Indian Income-tax Rules as amended in August 1949 an extra allowance upto a maximum of 50 per cent of the normal allowance will be allowed where a concern claims such allowance on account of double shift working. An extra allowance upto a maximum of 100 per cent of the normal allowance instead of 50 per cent will be allowed where a concern proves that there has been triple shift working. The calculations of the extra allowance for double shift and treble shift are to be made separately proportionate to the number of days during which there was only double shift working and during which there was triple shift working. For further details a reference may be made to rule 8 referred to above.

20. General directions :

(a) The form must be filled in and signed in ink. Losses may be shown in red ink.

(b) Figures only are to be inserted in columns (2) and (3) of Part I and should not be modified by words such as “about” “approximately” except as stated in note 7. The word “nil” must be entered in column (2) in Part I against each source from which you did not derive any income.

(c) If you spoil this form, ask your Income-tax Officer for another. Erasures should not be made. You should sign your own name in full against any alteration.

Form of return of particulars to be furnished under Section 38 of the Indian Income-tax Act, 1922 (See paragraph 5 of notice).

(a) To be filled up in the case of firms only. If this information is already given in Part III of the Return under Section 22 of the Indian Income-tax Act, 1922, write "See Part III" in the section.

Firm's name

Address

Names of partners	Address

Date Representative's Signature.....

Designation

(b) To be filled up in the case of Hindu Undivided Families only.

Name of family

Address

Serial No.	Names of adult male members of family	Address
	(Manager or Karta)	
1		
2		
3		
4		
5		
6		

Representative's Signature.....

Date

Designation

140

(c) To be filled up by Trustees, Guardians or Agents only.

Names and addresses of persons for whom the assessee is the trustee, guardian or agent		Whether trustee, guardian or agent
Name	Address	

Signature

Date

Designation

Address

(d) Statement of the names and addresses of all persons to whom assessee has paid in previous year rent, interest, commission, royalty or brokerage or any annuity (not being an annuity taxable under head "Salaries") amounting to more than four hundred rupees and particulars of all such payments.

Serial No.	Name and address of the person to whom the payment was made	Nature of payment	Amount paid	Date of payment	Whether paid in cash or by book adjustment
1					
2					
3					

Signature

Date

Address

(c) (To be filled in by any dealer, broker or agent or any person concerned in the management of stock or commodity exchange).

Statement of the names and addresses of all persons to whom the assessee has paid in the previous year—

- (1) any sum or aggregate sums in excess of two thousand rupees where the payment represents "differences" paid in settlement of contracts without actual delivery of stocks or commodities; and
- (2) any sum or aggregate sums in excess of ten thousand rupees where the payment represents sale price in connection with the sale, exchange, or transfer of capital assets or on whose behalf or from whom the assessee has received any such sum and particulars of all such payments and receipts.

(The question whether any payment or receipts relate to "capital assets" is a matter to be decided by the Income-tax Officer. The persons required to make the statement should treat all payments and receipts as pertaining to capital assets.)

(Separate statements should be made for payments and receipts).

Serial No.	Name and address of the person to whom the payment was made or on whose behalf or from whom the payment was received	Particulars of the transaction in connection with which the payment was made or received	Amount paid or received	Date of payment or receipt	Whether paid or received in cash or by book adjustment
1					
2					
3					
4					

Signature

Date

Address

[No. 118.]

PYARE LAL, Secy.

172
NOTIFICATION

No. L.D. 2580—Legis. 4-50-70, dated Bangalore, 6th December 1950.

Ordered that the following Notification No. S.R.O. 694, dated the 19th September 1950 of the Ministry of Communications amending the Indian Aircraft Rules, 1934, published in the *Gazette of India*, Part II, Section 3, dated the 30th September 1950, be republished in the *Mysore Gazette*, for general information.

By Order of
His Highness the Maharaja,
B. S. PUTTASWAMY,
*Legal Remembrancer and
Secretary to Government,
Law Department.*

MINISTRY OF COMMUNICATIONS

New Delhi, the 19th September 1950

S.R.O. 694.—In exercise of the powers conferred by section 5 of the Indian Aircraft Act, 1943 (XXII of 1934), the Central Government is pleased to direct that the following further amendments shall be made in the Indian Aircraft Rules, 1920 the same having been previously published in required by section 14 of the said Act, namely :—

For rule 61 of the Rules, the following shall be substituted, namely :—

- “ 61. *Forced landings*.—(1) If any aircraft arriving from a place outside India is forced to land at any place in India other than a customs aerodrome, or if any aircraft is so forced to land after departure from a customs aerodrome for a foreign destination, the procedure hereinafter specified shall be adopted.
- (2) (a) If the place of landing is a Government aerodrome the person in charge of the aircraft shall forthwith report the arrival of the aircraft and the place whence it came to the Aerodrome Officer in charge of the aerodrome and shall not allow any goods to be unloaded therefrom or any passenger or member of the crew thereof to leave the aerodrome, without the consent of such Aerodrome Officer or a Customs-Collector or a Police Officer ;
- (b) if the place of landing is not a Government aerodrome, the person in charge of the aircraft shall forthwith report to a Customs-Collector or a Police Officer and shall on demand produce to such Collector or officer the journey log book pertaining to the aircraft, and shall not allow any goods to be unloaded therefrom without the consent of such Customs-Collector or Police officer, and no